(iii) Re-schedulement of installments of investment credits to affected borrowers;

(iv) Medium Term (Conversion)/Medium Term (rephasement/ reschedulement) of loans to borrowers whose crops have been damaged etc.

Revenue deficit of Andhra Pradesh

1509. SHRIMATI VANGA GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Gross State Domestic Product of Andhra Pradesh at 5.01 per cent is way below the National average of 5.89 per cent;

(b) if so, the details thereof;

(c) whether Government have committed itself to eliminating the State's revenue deficit by 2006-07 which is estimated to be around Rs. 1400 crores during the current fiscal; and

(d) if so, the present position thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Annual growth of Gross State Domestic Product (GSDP) of Andhra Pradesh at current prices in 2004-05 has been estimated at 9.82 per cent as compared to annual estimated growth rate of all State aggregate GSDP at 9.02 per cent during the same period.

(c) and (d) No, Sir. According to the Fiscal Responsibility and Budget Management (FRBM) Act enacted by Government of Andhra Pradesh, the State Government has committed to eliminate the revenue deficit in 2008-09. the State's Own Fiscal Correction Path to achieve the targets of FRBM Act, has placed the estimated revenue deficit of the State Government at Rs. 1700 crore in the current fiscal.

Reduction in fiscal deficit of States

1510. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that while talking to the media under the banner of Financial Writers Forum, he has stated that due to reforms in tax

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administration, the financial position of several States has improved and that their revenue and fiscal deficits have also come down; and

(b) to what extent Government expects that the target fixed for filling revenue and fiscal deficits would be achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) While talking to the media in the Financial Writers Forum, Finance Minister, in general terms, mentioned that due to introduction of VAT and higher devolution by the Twelfth Finance Commission (TFC), financial position of the States are expected to improve.

(b) TFC has recommended 71.7% higher devolution to States during its award period compared to that of Eleventh Finance Commission. This would enable the States to reduce their deficits.

Under the Debt Consolidation and Waiver scheme, recommended by the Twelfth Finance Commission, States are required to enact their Fiscal Responsibility and Budget Management (FRBM) Acts, aimed at, *inter-alia*, eliminating their revenue deficit by 2008-09 and reducing their fiscal deficits to 3% of GSDP. States have also been advised to draw up their Own Fiscal Correction Path to achieve these targets. So far, 18 States have furnished their FRBM Acts. It is expected that the remaining States shall also enact their FRBM Acts and undertake the requisite fiscal correction to achieve the targets.

Sorting out of systemic issues in primary market

1511. SHRI JANARDHANA POOJARY : Will the Minister of FINANCE be pleased to state:

(a) whether Government have advised SEBI to sort out systemic issues in primary market;

(b) if so, the details and the context in which such an advisory was issued;

(c) whether with a view to containing abuse of the process of allotment of IPO shares, SEBI is insisting on the banks to follow a stringent 'Know-Your-Client' (KYC) regime;

(d) whether in the pretext of following the new KYC regime, banks are refusing to open small accounts, thereby depriving banking facility to a large number of ordinary citizens; and

(e) if so, the details thereof and Government's reaction thereto?

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